



Brownfields Cleanup Revolving Loan Fund Pilot

Richmond, VA

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

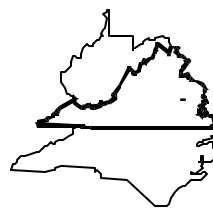
BACKGROUND

The BCRLF Pilot target area encompasses three state-designated Enterprise Zones. These areas comprise more than 10,000 acres and include more than 55,000 residents. The North and South Enterprise Zones contain the primary industrial areas of the city. The East Enterprise Zone has a limited number of industrial properties but contains the densest concentration of population and poverty in the metropolitan area. These Enterprise Zones exhibit signs of economic distress including a declining population base, higher-than-normal unemployment rates, and a large number of vacant housing units.

BCRLF OBJECTIVES

As the administrator of the BCRLF Pilot, Richmond's Office of Economic Development (OED) will continue and expand its practice of implementing public/private economic development loan programs. The funds will help the city retain and attract businesses and jobs, and restore inner-city neighborhoods. The goal of the Pilot is to return abandoned, underused, and potentially contaminated sites back to productive use, and to leverage public and private financing to achieve this objective.

PILOT SNAPSHOT



Richmond, Virginia

Date of Award:
September 1997

Amount: \$350,000

BCRLF Target Area: Three
state-designated Enterprise
Zones.

Contacts:

City of Richmond, Office of Economic Development (804) 780-5633	Regional Brownfields Team U.S. EPA - Region 3 (215) 814-3129
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Visit the EPA Region 3 Brownfields web site at:
<http://www.epa.gov/reg3hwmd/brownfld/hmpage1.htm>

For further information, including specific Pilot contacts,
additional Pilot information, brownfields news and events, and
publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

FUND STRUCTURE AND OPERATIONS

Richmond plans to implement the BCRLF Pilot through the OED in partnership with the city's Industrial Development Authority (IDA), which will serve as the Fund Manager. The IDA will use its long-standing Loan Committee to determine which businesses and projects are eligible for the BCRLF funding and other IDA financing. The primary borrowers will be current and prospective owners of brownfields sites, and businesses already in or wishing to locate in one of the three Enterprise Zones.

The city will combine local matching funds (\$350,000) with the original BCRLF Pilot funding to create a \$700,000 loan pool, with the hopes of expanding the pool with further public/private funding. The city will provide in-kind contributions and funding (\$75,000 total) to cover initial administrative and cleanup oversight/certification costs. The minimum BCRLF loan size is \$100,000; however, no more than 50 percent of the total loan pool principal will be loaned to any one entity. The borrower will be charged a service fee equal to no more than one percent of the total loan amount to help defray administrative costs. The city may require borrowers to provide security (e.g., liens on assets, personal guarantees) for the BCRLF loans.

LEVERAGING OTHER RESOURCES

Richmond's IDA will serve as Fund Manager, in part, to take advantage of IDA's role as manager for other funding sources and to facilitate the leveraging of other federal, state, local, and private funds.

By targeting the Enterprise Zones, the city hopes to leverage other existing funding mechanisms such as tax-increment financing, Enterprise Zone incentive loans, industrial revenue bonds, U.S. Economic Development Administration (EDA) grant and RLF funding, and private funding.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
